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Summary of Findings and Action Plan: Cobscook Bay

Maine Department of Labor

Maine State Chamber of Commerce

Business Visitation Program

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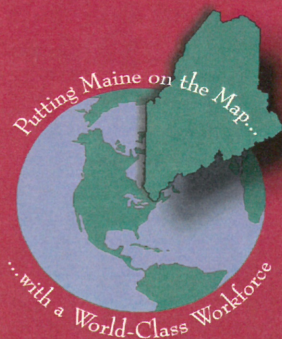
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Summary of Findings and Action Plan

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Cobscook Bay



The Business Visitation Program

*A unique partnership between the
Maine State Chamber of Commerce
and the Maine Department of Labor*

MAR 15 2001

Cobscook Bay
Summary of Findings and Action Plan
Spring of 2000

SPONSORED BY:

Eastport Chamber of Commerce Planning Committee
Lubec Chamber of Commerce
Maine State Chamber of Commerce
Maine Department of Labor

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INTRODUCTION

The Eastport Chamber of Commerce Planning Committee for the Cobscook Bay Area, in partnership with the Lubec Chamber of Commerce, the Maine State Chamber of Commerce, and the Maine Department of Labor initiated the Business Visitation Program (BVP) in an effort to strengthen and support existing local businesses. The mission was to:

1. identify and resolve common business problems found in the area;
2. assist businesses that were considering expansion or relocation;
3. provide training and educational programs to meet the needs identified by the program;
4. increase communication between businesses, local, community, and state governments;
5. assist the Cobscook Bay Area in identifying issues that it could address on behalf of the local business community; and
6. to explore the idea of forming a larger, regional chamber of commerce for the Cobscook Bay Area.

The Maine Department of Labor and the Maine State Chamber of Commerce prepared the survey, trained the volunteers, compiled the data, produced the statistical analysis, and printed the Summary of Findings and Action Plan. The local committee planned the project, prepared local questions, targeted businesses to be surveyed, conducted the interviews, analyzed the results, and prepared the action plan. The interviews were conducted by nine volunteer interviewers.

To ensure confidentiality, all survey findings are reported in aggregate. Thirty-three (33) of the 55 targeted businesses were surveyed between November 1999 and January 2000.

The BVP for the Cobscook Bay Area reflects an excellent relationship between local and state government officials working together as a team with the local business community.

SUMMARY OF FINDINGS

The Cobscook Bay Area BVP targeted businesses in the service, retail, tourism, transportation, and manufacturing sectors. It was found that most sales take place within the state of Maine, and competition is located 58% locally, 20% in the state of Maine, 11% in the rest of the United States, and 11% outside the U.S. A very definite increase in sales was found over the past four years and expectations were high that the increase would continue into the near future.

The Business Visitation Program investigated such factors as:

- the three most critical business interests;
- the competition;
- the factors impacting profits;
- the market areas;
- the purchases of products, supplies, and services;
- the expansions, retentions, and relocations;
- the employment and employment changes;
- the occupations;
- the recruiting and retaining needs;
- the local services;
- the community characteristics; and,
- the creation of a Cobscook Bay Area Chamber of Commerce.

An overall profile of the respondents shows that:

- 36% of the businesses have been in business for 10 years or more
- 48% reported that the main reason their businesses were located in the area had to do with family;
- 70% indicated the Cobscook Bay Area was the headquarters for their business; and,
- 58% are in service, 24% in manufacturing, 21% in retail, 12% in wholesale and 6% in transportation.

Requests for information or assistance were responded to in such areas as:

- marketing;
- OSHA; and,
- capital.

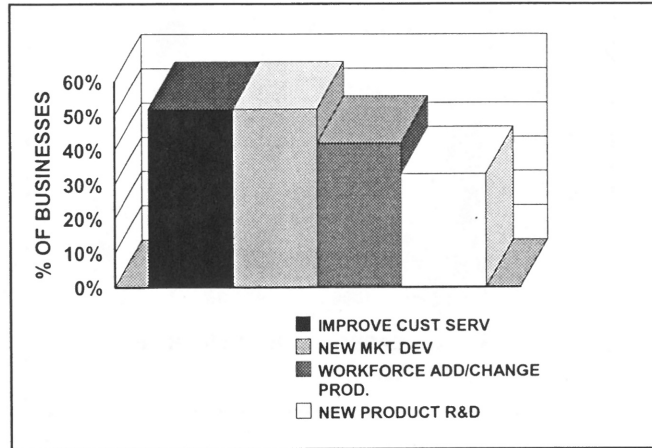
MARKETS

- The most critical areas businesses planned to focus on in the next five years are:
 - improve customer service (52%)
 - new market development (52%)
 - add/change product line (42%)
 - new product R&D (33%)
- Cobscook Bay Area businesses indicated that 58% of their competitors are local; 20% are in the rest of Maine; 11% are outside the U.S.; and 10% are in the U.S.
- The most significant factors most likely to have a major impact on profits during the next five years are:
 - government policies (39%)
 - wage rates (30%)
 - energy costs (27%)
 - transportation costs (27%)
- Factors identified as not likely to have a major impact are:
 - defense spending (97%)
 - labor force skills (98%)
 - export opportunities (98%)
 - foreign competition (92%)
- 86% expect next year's sales to be higher.
- In 1999, 82% of sales were in Maine;
 - 9% were in New England; 7% were in the U.S.;
 - 2% were international; and 1% were in Canada.
- 21% export their products or services.

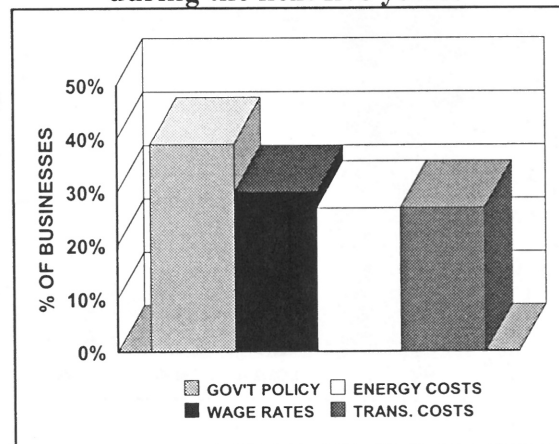
Businesses interviewed indicated a desire to improve customer service, new market development, add/change product line, and new product R&D. State policy makers need to take action on the factors identified as having a major impact on business profits -- government policies, wage rates, energy costs, and transportation costs.

MARKETS

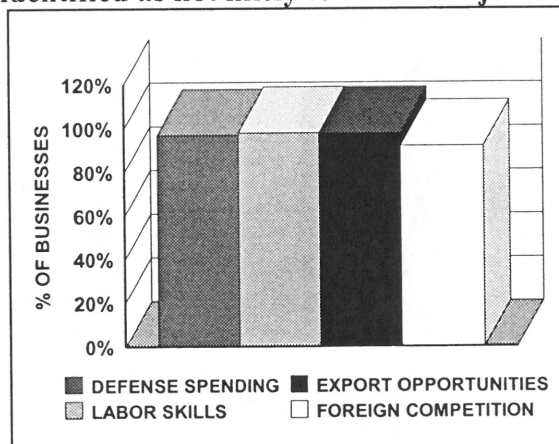
Choose the most critical areas which your business has planned to focus on within the next five years in order to remain competitive



The most significant factors likely to have a major impact on profits during the next five years:

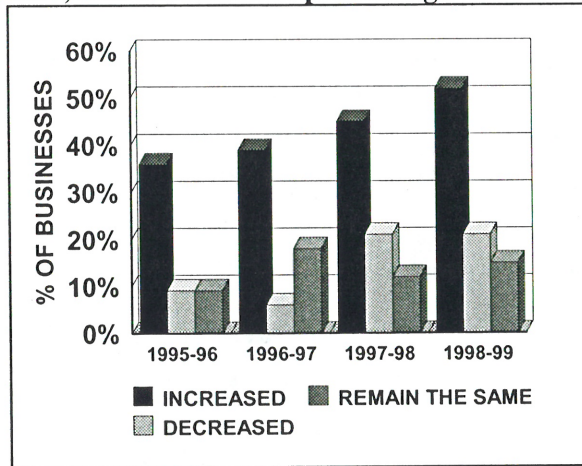


Factors identified as not likely to have a major impact are:

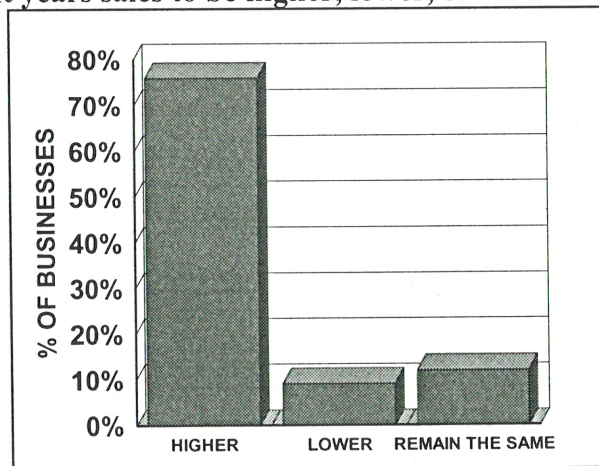


MARKETS

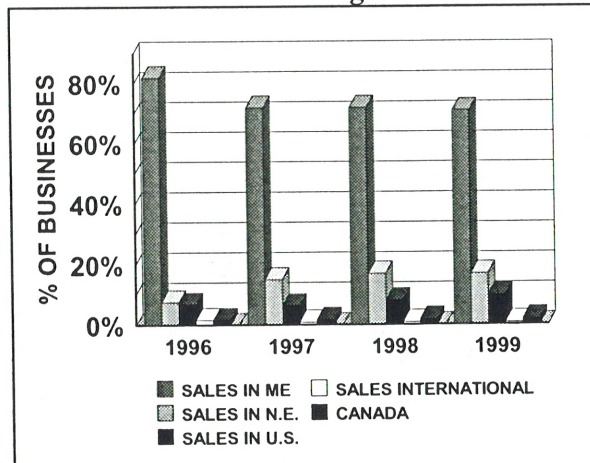
Please indicate whether your sales remained the same, increased, or decreased for each of the following years, and indicate the percentage of the increase or decrease.



Do you expect next years sales to be higher, lower, or the same as last years sales?



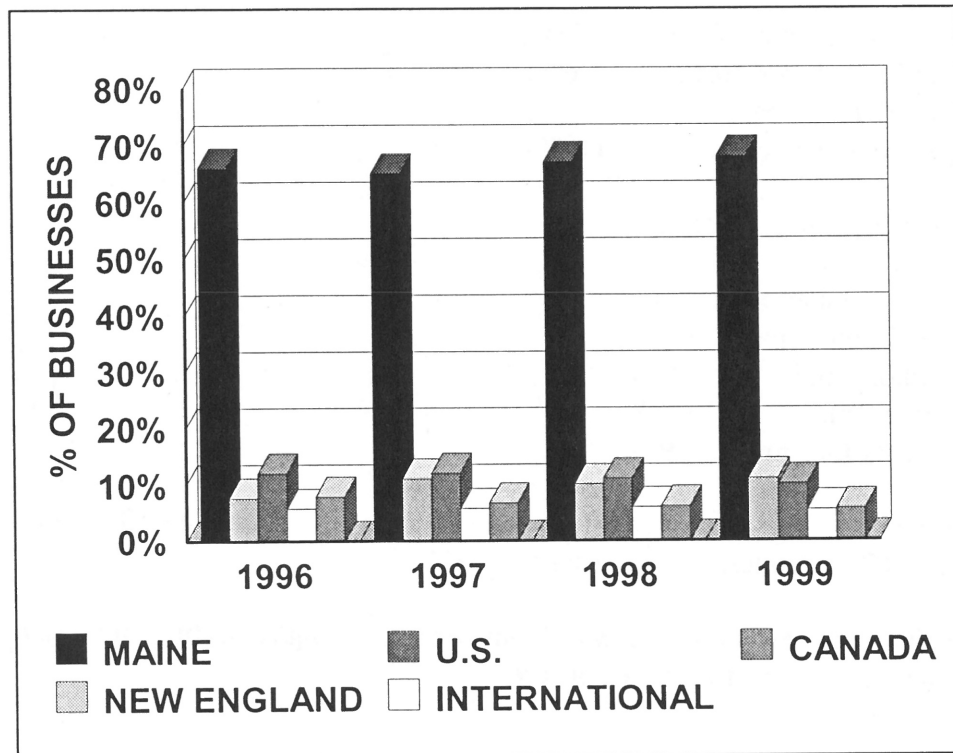
During the last four years, what percent of your sales were in each of the following areas:



PURCHASES

- In 1999, 68% of the businesses interviewed indicated their primary purchases were in Maine; 11% of the purchases were in New England; 10% in the U.S.; 5% in Canada; and, 5% international.
- 36% purchased products outside of Maine because the product was not available and 24% indicated that it cost them less money.
- 45% indicated that they were interested in finding other Maine vendors.

During the last four years, what percent of your primary purchases were in the following areas?



RETENTION AND EXPANSION

➤ The most advantageous factors when considering this area are:

- land space (60%)
- labor costs (39%)
- permit process (30%)
- government programs (33%)

➤ The most discouraging factors are:

- utilities-costs (61%)
- market access (45%)
- transportation (42%)
- state taxes (42%)

➤ Businesses are likely to expand their company in the next two years in the following ways:

- new product line/services (55%)
- expanded workforce (36%)
- more floor space (33%)
- seeking new location (18%)

➤ If yes, what type of expansion?

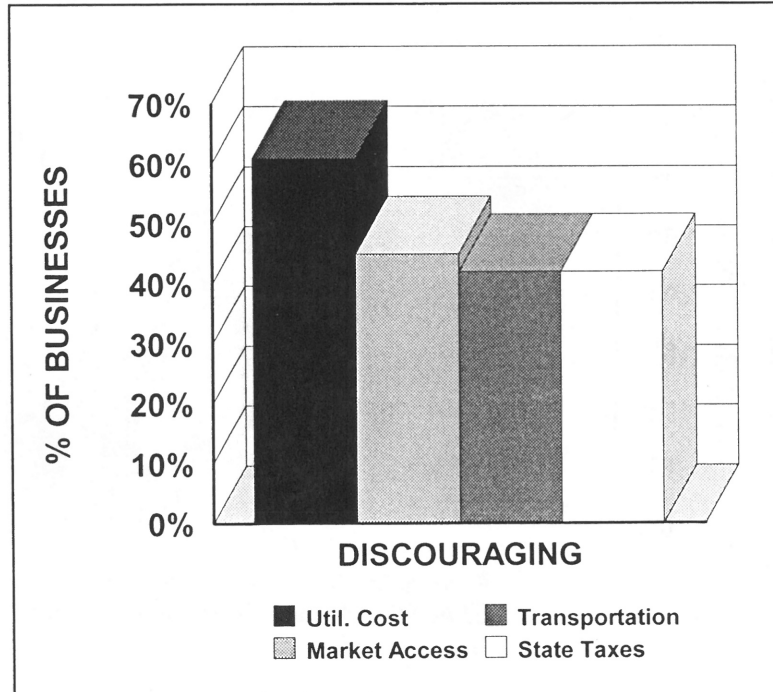
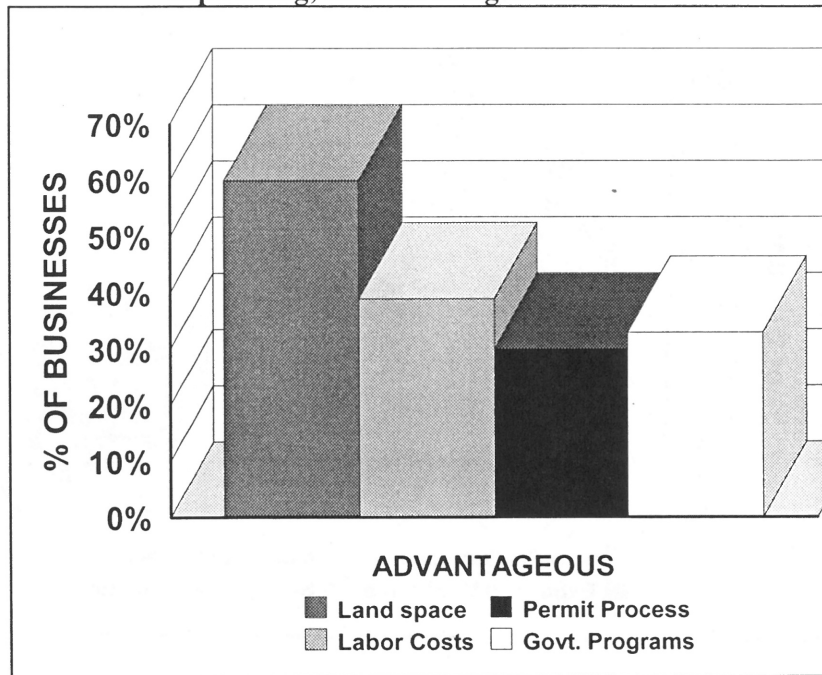
- more square feet (30%)
- additional space (27%)
- labor force (21%)
- financing (15%)
- better location (9%)

➤ 12% of the businesses requested information on their expansion plans; 3% requested direct assistance; and 79% requested no assistance.

➤ Two businesses indicated that they are considering moving/relocating their establishment within the next two years; two were not sure.

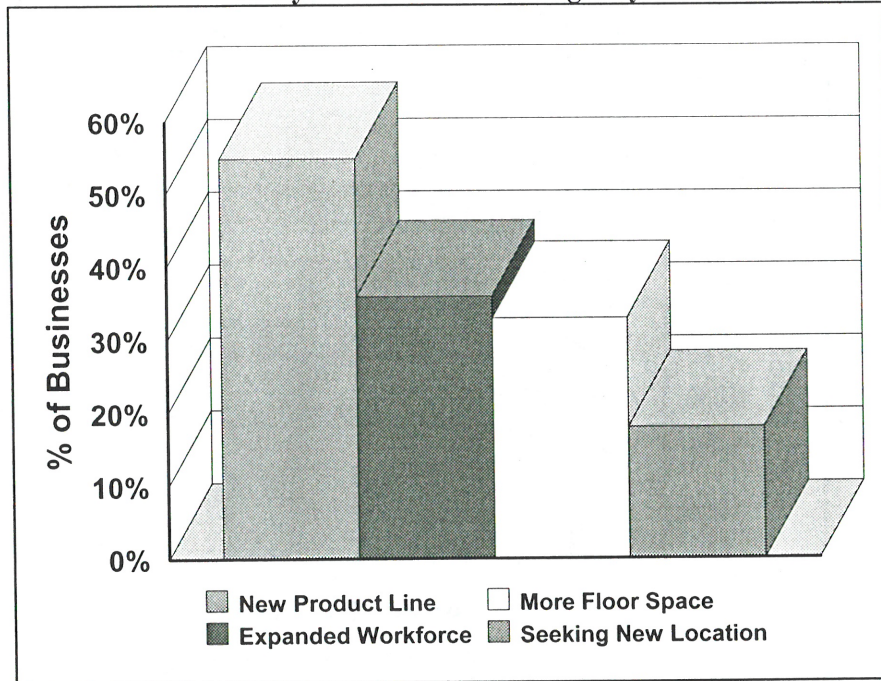
RETENTION AND EXPANSION

What is advantageous and what is discouraging when considering remaining, expanding, or relocating in this area?

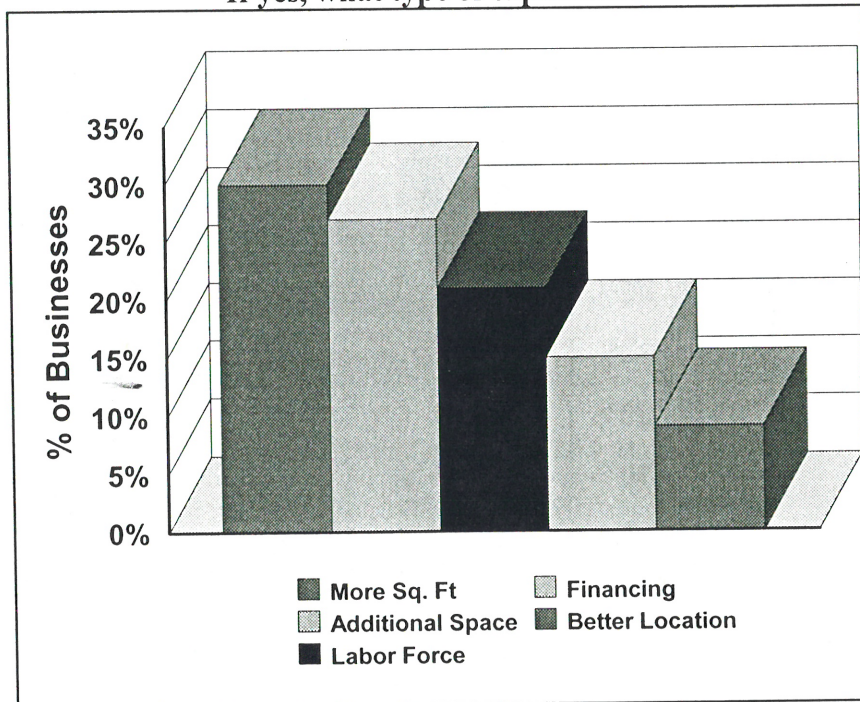


RETENTION AND EXPANSION

Businesses that are likely to expand in this area within the next two years in the following ways



If yes, what type of expansion?



ASSISTANCE AND INFORMATION

➤ Businesses indicated the need for outside assistance or information in:

- marketing (24%)
- OSHA (21%)
- capital (21%)
- energy efficiency (18%)

➤ 9 businesses indicated a desire for direct or immediate assistance in at least one of the following:

- tax
- PUC
- business licensing
- capital
- local zoning
- marketing

86 business referrals were generated from the businesses interviewed in the Cobscook Bay Area. The referrals were passed through the BVP referral network to local and state agencies for business assistance.

EMPLOYMENT AND TRAINING

➤ Employers reported an increase in full, part-time, seasonal, and contracted employment between 1994 and 1999.

▪	full-time	119 to 305
▪	part-time	208 to 277
▪	seasonal	13 to 10
▪	contracted	15 to 12

➤ In 2000 employers expect full-time employment to increase to 353 and part-time to 165.

➤ 56% of the employers provide health care benefits for full-time employees.

➤ Over the next two years, 55% of the employers expect employment to remain the same; 30% expect to increase; and 6% expect it to decrease.

➤ Increases in staffing are planned for production/construction/operations (21%); sales/service (18%); clerical (15%); and, managerial/professional/technical (9%).

➤ 30% of the employers responded that they have difficulty recruiting employees; and, 30% have difficulty retaining employees.

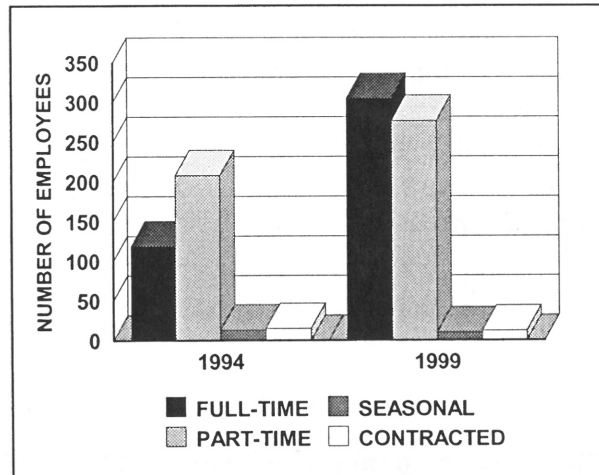
➤ Occupational skills that companies will be looking for in the next 5-10 years are:

- customer service - 64%
- team work - 62%
- computer literacy - 48%
- verbal communication skills - 48%
- problem solving - 45%
- decision making - 39%

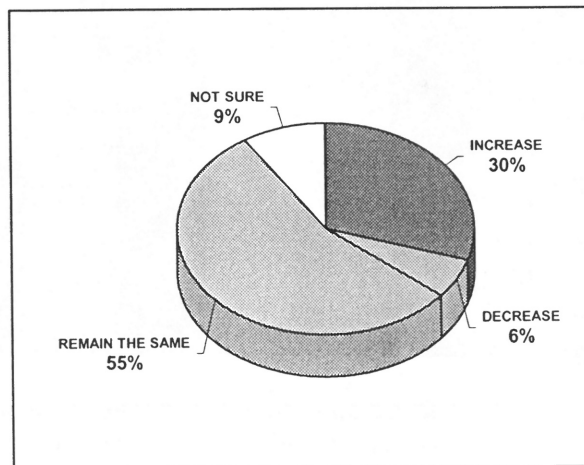
➤ Only 4 employers indicated hiring people from out of state or out of the country due to the lack of qualified employees.

EMPLOYMENT AND TRAINING

How many worked at this establishment:



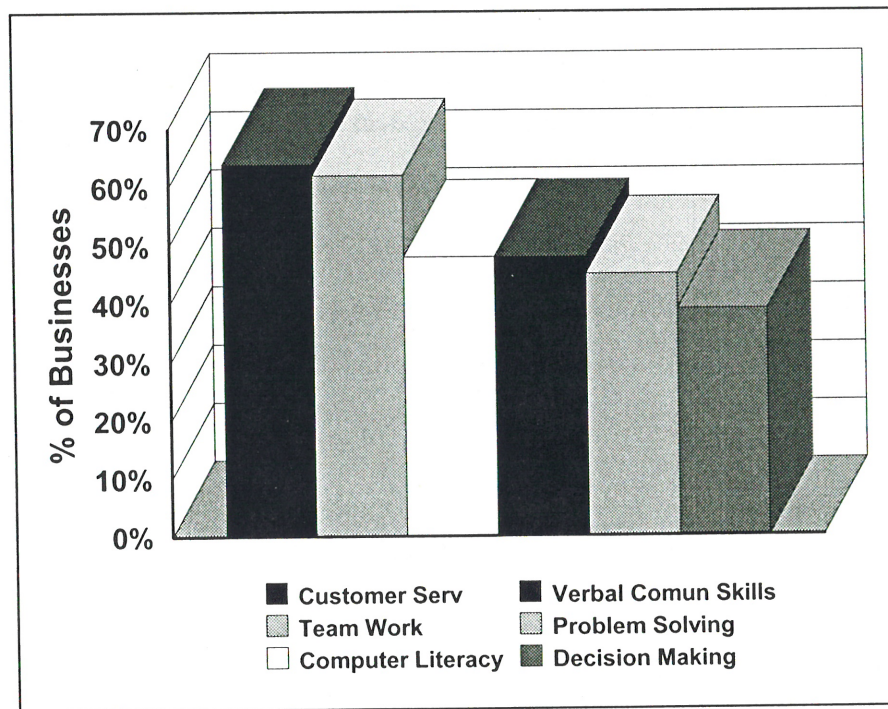
Over the course of the next couple of years, do you expect your firm's employment level to increase, decrease, or remain the same?



EMPLOYMENT AND TRAINING

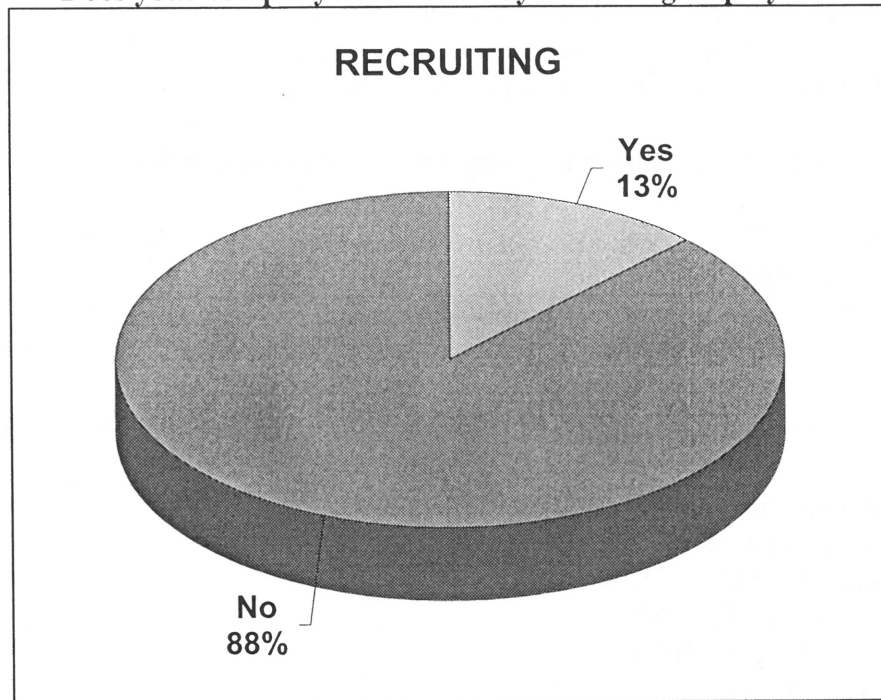
- 30% of the businesses surveyed have hired temporary employees.
- Businesses were asked what specific kinds of occupational training they currently provide employees.
 - 0.39% - customized training
 - 0.27% - employee retraining
 - 0.12% - classroom training
 - 0.03% - vocational training
 - 0.03% - academic-advanced

Occupational skills which companies will be looking for in the next 5-10 years are:

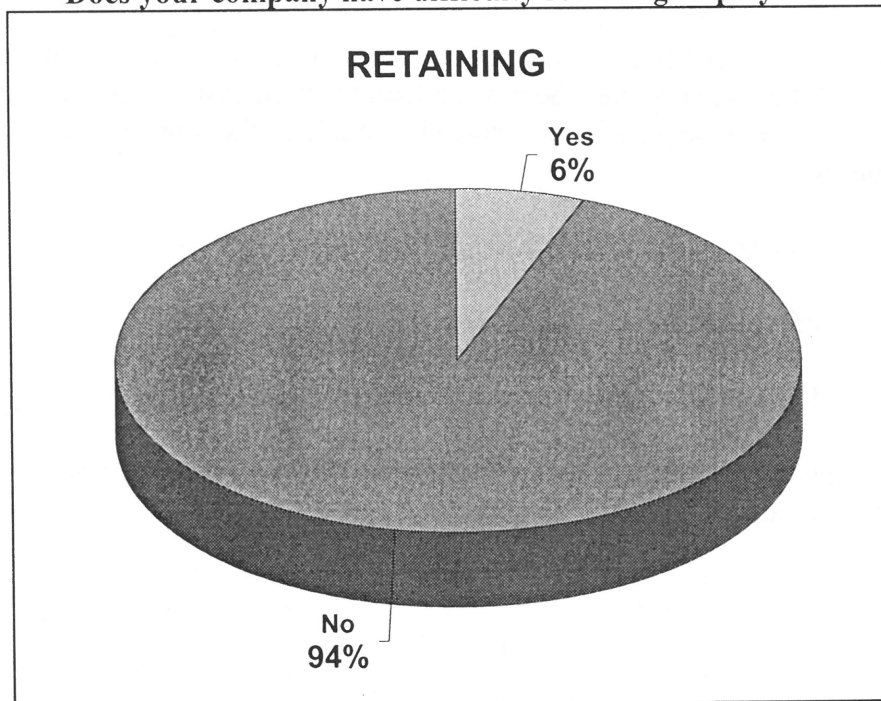


EMPLOYMENT AND TRAINING

Does your company have difficulty recruiting employees?



Does your company have difficulty retaining employees?

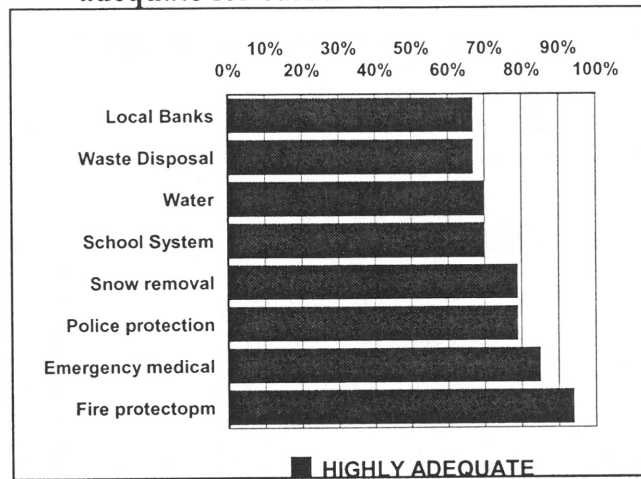


BVP LOCAL QUESTIONS

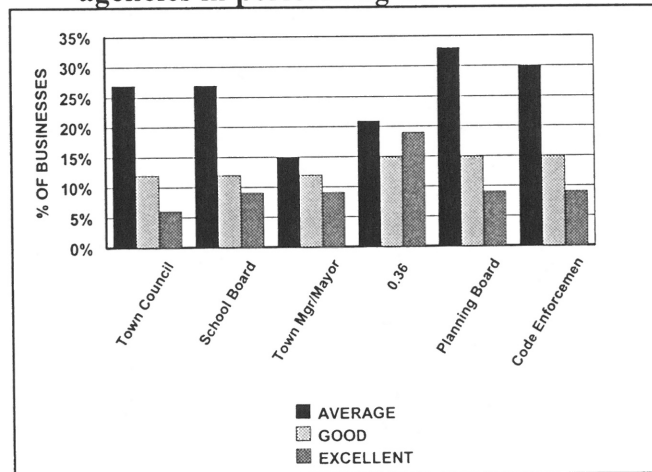
- With regard to operating a business in the Cobscook Bay Area:
 - 3% were established less than one year ago
 - 12% were established between 1 and 3 years ago
 - 36% were established between 11 and 50 years ago
- The primary reasons for locating a business within Cobscook Bay Area
 - Family (48%)
 - Community (39%)
 - Purchase of an existing business (24%)
 - Access to Markets (9%)
- Town services and facilities were rated as highly adequate for current business needs:
 - Fire protection (94%)
 - Emergency medical (85%)
 - Police protection (79%)
 - Snow removal (79%)
 - School System (70%)
 - Water (70%)
 - Waste Disposal (67%)
 - Local Banks (67%)
- 58% indicated that they had not contacted the town for services that they found inadequate. However, of the 14 who did contact the town, 5 found that officials did make an effort to solve the problem, 1 indicated the problem was solved, 8 indicated the problem has not been resolved, and 5 are pending.
- The quality of sewer service satisfied 52% of the respondents.
- 79% had no parking problems for their employees and/or customers.
- 67% indicated that street/traffic problems do not affect their business.
- 10 of the respondents had plans for changes go through the Planning Board or Board of Appeals and were satisfied with the procedure.

BVP LOCAL QUESTIONS

Are the services and facilities within your community adequate for current business needs?



Rate the following municipal government/educational agencies in performing their function.



Please rate the community from a business and personal point of view.

	AVERAGE	GOOD	EXCELLENT
Economy	12%	6%	3%
Quality of Life	18%	42%	21%
Comm. Size	15%	30%	12%
People	24%	36%	
Housing	17%	38%	30%
Work Ethic	36%	30%	3%
Cost of Living	36%	15%	3%
Building Costs	39%	18%	6%

BVP LOCAL QUESTIONS

➤ 12 of the 33 respondents that had plans for changes go through the Codes Enforcement Officer were satisfied.

➤ Government and educational agencies were rated as follows:

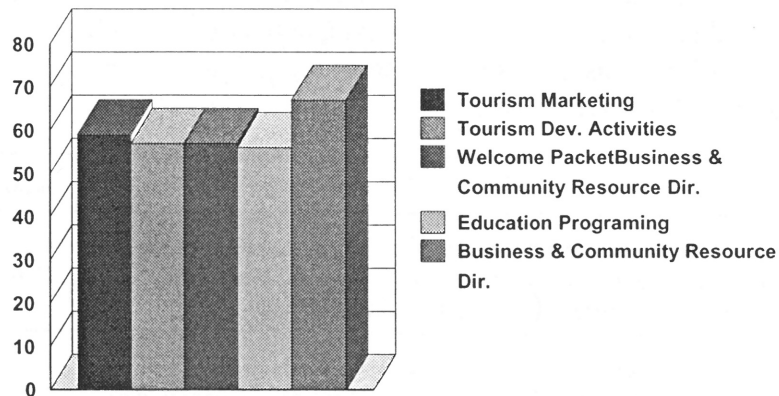
	Average	Good	Excellent	No Opinion
Town Council	27%	12%	6%	27%
School Board	27%	12%	9%	27%
Town Manager	15%	12%	9%	27%
Town Staff	36%	21%	15%	18%
Planning Bd.	33%	15%	9%	33%
Code Enforcement	30%	15%	9%	33%

➤ 79% did not believe that zoning laws, as they applied to their location, needed to be revised.
73% felt that zoning laws in regard to signage did not need to be revised.

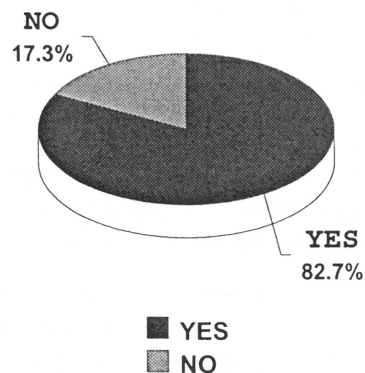
Good city services and facilities indicate that the-Cobscook Bay Area is a sound place to do business.

COBSCOOK BAY AREA LOCAL QUESTIONS

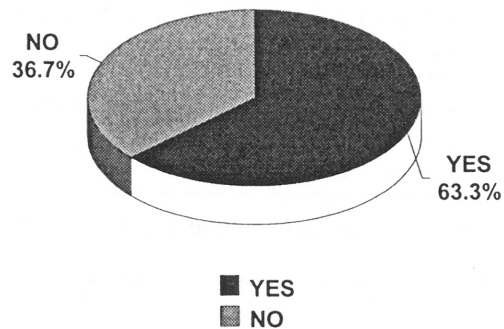
If this new organization were in place, which of the following services would be beneficial to your business?



Do you think a combined chamber is a good idea?



Would you be interested in joining this chamber?



CONCLUSIONS AND RECOMMENDED ACTIONS

Following is an Action Plan recommended by the Business Visitation Program Committee of the Cobscook Bay area Chamber of Commerce. Each recommendation is in response to findings of the Business Visitation Program survey conducted in the Fall of 1999.

Businesses interviewed indicated a desire to improve customer service (52%); develop new markets (52%); add or change their product line (42%); and, conducting research and development for new products (33%). Businesses were also concerned with government policies, wage rates, energy costs and transportation costs.

Action Item	Sponsor/Partners
Sponsor an area-wide business meeting and have CareerCenter give a presentation on the many new programs it has to assist businesses and entrepreneurs. The CareerCenter could help with the mailing to make sure it goes to all local businesses.	CBACC CareerCenter
Sponsor an area-wide meeting to help local businesses learn about the Department of Economic and Community Development (DECD) energy conservation program, which provides low cost loans for new energy-efficient construction.	CBACC DECD
Sponsor an area wide meeting to help businesses learn about the SafetyWorks! Program through the Maine Department of Labor, which provides on-site monitoring of work place safety, with no enforcement or penalty mechanism.	CBACC DOL/SafetyWorks!
Send information on financial programs to the businesses that indicated in the survey they were interested in learning about available capital.	Sunrise County Economic Council (SCEC)
Sponsor a marketing workshop conducted by the Small Business Development Center.	CBACC SBDC
Contact the Maine State Chamber of Commerce (MSCC), to help reach non-CBACC members who are already members of the statewide organization, through a direct mailing or the MSCC newsletter.	CBACC MCBA
Sponsor a presentation by the Maine State Chamber of Commerce to help businesses learn of legislative issues affecting businesses coming up in the next legislative session, as well as Chamber programs concerning electric and phone use aggregation, health insurance, etc.	CBACC MCBA
Communicate to other Chambers in the County the availability of SafetyWorks! presentations for Chamber sponsored events.	SCEC CareerCenter
Conduct a design team meeting with survey respondents that indicate a desire to improve customer service. Brainstorm ideas about programming that could meet their needs. Work with the local CareerCenter, WCTC, adult ed, high school guidance counselors, etc., to design and implement a program that meets their needs.	CBACC CareerCenter
Communicate the results of the BVP Survey to survey respondents (via copy of survey report), to other local service agencies, schools, legislators, etc., and to the committee involved in studying the needs of community education. (Rier, et.al.)	BVP CBACC
Reevaluate Survey Respondents after one year to further refine an action plan.	CareerCenter CBACC

